

THE MOST, AND THE LEAST, VALUABLE BUSINESSES IN AMERICA

Buying a business is, in at least one respect, like buying a house—you can learn a lot by looking at the comparables. The tables below tell you what businesses are selling for in 122 industries. For each one, the tables note the number of businesses sold in the survey period and the median annual revenue and sale price. The line graphs to the right show each category's sale price range, from low to high; the diamond in the middle marks the median sale price. On the tables' far right are six valuation multiples for each industry; in each case, we've highlighted the three most relevant (four in the case of ties), given the transactions in that industry.

DIVISION/Type of Business (Number of transactions)	Median Annual Revenue (\$ 000's)	Median Sale Price (\$ 000's)	Sale Price Ranges			MEDIAN VALUATION MULTIPLES (Best, second best, and third best multiples)							
			Thousands		Millions	Billions		Net Sales	Gross Profit	EBIT	EBITDA	Disc. Earnings	BVIC
			Low	Median	High								
AGRICULTURE, FORESTRY, AND FISHING (44)	397	200	100	100	100	0.50	0.73	3.29	4.40	2.65	2.88		
Animal Specialty Services (11)	143	173	100	100	100	0.51	0.74	4.08	4.09	2.77	2.67		
Landscape Counseling and Planning (9)	576	355	100	100	100	0.50	0.63	4.17	4.81	2.64	2.51		
Lawn and Garden Services (18)	416	214	100	100	100	0.52	0.77	2.87	3.02	2.75	7.87		
CONSTRUCTION (83)	1,785	638	100	100	100	0.41	1.06	4.15	4.00	2.15	2.84		
Carpentry Work (6)	893	260	100	100	100	0.32	0.48	4.82	6.63	2.09	—		
Plumbing, Heating, and Air Conditioning (24)	1,619	500	100	100	100	0.36	0.83	5.47	4.50	2.49	2.81		
Single-Family Housing Construction (10)	1,837	414	100	100	100	0.36	0.87	2.14	2.26	1.59	5.11		
Special Trade Contractors (9)	2,031	1,000	100	100	100	0.41	1.11	4.63	4.63	3.66	4.15		
Water, Sewer, and Utility Lines (5)	21,065	27,500	100	100	100	0.66	2.26	16.01	15.39	—	2.64		
FINANCE, INSURANCE, AND REAL ESTATE (83)	2,552	22,220	100	100	100	2.17	3.21	8.24	8.44	3.31	3.19		
Fire, Marine, and Casualty Insurance (5)	62,545	41,000	100	100	100	0.66	0.66	6.11	7.87	—	0.57		
Insurance Agents, Brokers, and Service (8)	7,865	15,411	100	100	100	2.28	2.28	6.86	6.84	3.24	1.99		
Patent Owners and Lessors (9)	6,446	30,067	100	100	100	4.80	5.53	13.95	14.56	—	5.09		
Real Estate Agents and Managers (12)	347	295	100	100	100	0.83	1.06	3.44	4.51	3.57	7.84		
Security Brokers and Dealers (6)	61,600	34,489	100	100	100	0.84	1.35	6.97	6.66	—	8.85		
MANUFACTURING (397)	4,883	7,800	100	100	100	0.92	2.32	8.56	6.64	3.37	3.02		
Commercial Printing (18)	1,114	693	100	100	100	0.55	1.15	5.36	4.67	3.89	1.54		
Commercial Printing, Lithography (11)	517	340	100	100	100	0.72	1.10	4.66	5.02	3.05	3.45		
Computer Peripheral Equipment (5)	22,554	115,000	100	100	100	4.09	7.47	11.39	20.49	—	13.53		
Cut Stone and Stone Products (5)	1,973	1,475	100	100	100	0.60	1.19	5.88	13.35	3.87	—		
Electromedical Equipment (8)	24,394	117,813	100	100	100	2.14	5.03	23.64	—	—	2.92		
Electronic Connectors (11)	18,932	20,819	100	100	100	0.94	4.07	9.72	8.80	—	4.20		
Fabricated Metal Products (6)	1,544	950	100	100	100	0.72	1.34	4.22	4.17	3.98	—		
Fabricated Structural Metal (7)	1,780	1,577	100	100	100	0.51	1.62	13.33	8.72	3.46	3.02		
Industrial Machinery (13)	2,542	2,179	100	100	100	0.88	1.51	7.77	6.71	3.24	2.04		
Instruments to Measure Electricity (5)	20,888	25,768	100	100	100	1.74	4.25	14.70	13.83	—	7.09		

GLOSSARY: BVIC (Book Value of Invested Capital) = (Total Assets - Total Liabilities) + Long-Term Liabilities; Discretionary Earnings = Operating Profit + Owner's Compensation + Noncash Charges; EBIT = Operating Profit; EBITDA = Operating Profit + Noncash Charges; Gross Profit = Net Sales - Cost of Goods Sold; MVIC (Market Value of Invested Capital) = Reported Selling Price (includes noncompete value and interest-bearing debt; excludes real estate, consulting agreement values, and contingent payments); Net Sales = Annual Sales - Returns and Discounts

DIVISION/Type of Business (Number of transactions)	Median Annual Revenue (\$ 000's)	Median Sale Price (\$ 000's)	Sale Price Ranges						MEDIAN VALUATION MULTIPLES (Best, second best, and third best multiples)					
			Thousands		Millions		Billions		MVIC (Market Value of Invested Capital) divided by...					
			1	10	1	10	1	10	Net Sales	Gross Profit	EBIT	EBITDA	Disc. Earnings	BVIC
MANUFACTURING, continued (397)	4,883	7,800							0.92	2.32	8.56	6.64	3.37	3.02
Manufacturing Industries (7)	1,796	527							0.51	2.04	5.59	3.94	2.79	1.26
Newspapers (5)	1,421	1,650							1.16	1.98	13.56	9.76	—	4.18
Orthopedic and Surgical Appliances (5)	15,240	13,000							0.78	2.48	14.38	—	—	2.95
Periodicals (5)	233	100							0.80	1.25	1.88	8.64	—	—
Pharmaceutical Preparations (23)	12,721	25,000							3.14	5.46	25.44	17.07	—	5.01
Plastics Products (7)	21,003	13,250							0.67	3.19	7.60	5.00	3.37	1.81
Radio and Television Equipment (7)	17,891	33,600							1.27	3.28	10.78	26.91	—	2.10
Semiconductors and Related Devices (22)	5,022	36,429							2.02	5.67	22.83	—	—	4.26
Signs and Advertising Specialties (12)	786	523							0.59	0.93	7.24	4.92	3.38	3.06
Surgical and Medical Instruments (7)	16,908	47,800							2.23	6.22	22.01	17.32	—	2.69
Wood Kitchen Cabinets (5)	1,036	585							0.32	0.92	6.54	4.66	2.35	2.53
Wood Products (5)	1,036	1,920							0.43	0.79	10.23	9.13	23.29	—
MINING (14)	20,457	38,680							1.45	2.76	18.99	9.18	—	2.27
RETAIL TRADE (554)	445	160							0.37	0.68	2.96	3.78	2.68	2.22
Children's and Infants' Wear Stores (5)	1,211	400							0.53	1.14	4.49	8.13	4.28	—
Computer and Software Stores (7)	1,032	408							0.40	0.79	10.94	22.71	3.42	10.67
Drinking Places (29)	582	260							0.41	0.58	2.50	2.70	2.01	8.38
Drugstores and Proprietary Stores (10)	9,200	13,533							0.35	1.44	7.30	11.49	3.04	2.84
Eating and Drinking Places (260)	330	119							0.37	0.58	2.45	3.01	2.62	2.08
Floor Covering Stores (6)	1,145	195							0.26	0.63	3.06	3.05	2.86	3.65
Florists (12)	369	99							0.29	0.55	1.94	1.67	2.36	—
Furniture Stores (14)	1,586	460							0.39	0.67	3.97	3.97	2.55	2.78
Gasoline Service Stations (13)	2,040	340							0.09	0.98	3.46	3.70	2.30	2.54
Gift, Novelty, and Souvenir Shops (17)	428	270							0.56	0.88	5.21	6.73	1.94	2.19
Grocery Stores (12)	653	140							0.21	0.60	1.76	11.34	2.57	—
Liquor Stores (16)	865	323							0.36	1.34	4.65	9.17	6.21	—
Lumber and Other Building Materials (6)	1,252	284							0.19	0.49	4.89	10.08	2.65	2.42
Merchandising Machine Operators (11)	133	110							0.67	1.41	2.28	6.64	4.60	1.33
Miscellaneous Food Stores (9)	452	210							0.49	0.90	7.60	6.74	3.99	4.73
Miscellaneous Home Furnishings (10)	863	270							0.32	0.73	2.00	2.48	1.59	6.45
Miscellaneous Retail Stores (19)	386	215							0.42	0.73	3.62	3.62	2.73	3.80
Radio, Television, and Electronic Stores (5)	1,350	750							0.52	1.18	3.55	2.82	2.39	—
Retail Bakeries (11)	388	95							0.31	0.51	3.20	1.86	0.98	1.77
Retail Nurseries and Garden Stores (7)	1,282	475							0.34	0.97	11.30	8.75	2.44	1.23
Used-Car Dealers (5)	870	385							0.24	0.65	2.70	2.72	2.72	—
Used-Merchandise Stores (7)	386	140							0.43	0.70	2.67	4.92	2.62	—
Women's Clothing Stores (8)	530	220							0.38	0.75	3.83	3.46	2.03	1.38
SERVICES (763)	750	450							0.66	0.95	5.34	6.21	2.39	3.55
Accounting, Auditing, and Bookkeeping (12)	641	463							1.03	1.03	4.53	4.76	3.22	19.42
Advertising Agencies (7)	3,255	4,344							0.57	2.47	5.36	13.20	—	10.57

GLOSSARY: BVIC (Book Value of Invested Capital) = (Total Assets - Total Liabilities) + Long-Term Liabilities; Discretionary Earnings = Operating Profit + Owner's Compensation + Noncash Charges; EBIT = Operating Profit; EBITDA = Operating Profit + Noncash Charges; Gross Profit = Net Sales - Cost of Goods Sold; MVIC (Market Value of Invested Capital) = Reported Selling Price (includes noncompete value and interest-bearing debt; excludes real estate, consulting agreement values, and contingent payments); Net Sales = Annual Sales - Returns and Discounts

VALUATION GUIDE 2009

DIVISION/Type of Business (Number of transactions)	Median Annual Revenue (\$ 000's)	Median Sale Price (\$ 000's)	Sale Price Ranges						MEDIAN VALUATION MULTIPLES (Best, second best, and third best multiples)												
			Thousands		Millions		Billions		Net Sales		Gross Profit		EBIT		EBITDA		Disc. Earnings		BVIC		
			1	10	1	10	1	10	1	10	1	10	1	10	1	10	1	10	1	10	1
SERVICES, continued (763)	750	450																			
Advertising, Miscellaneous (9)	396	950																			
Amusement and Recreation (8)	295	165																			
Architectural Services (7)	568	750																			
Automotive Services (5)	480	75																			
Auto Transmission Repair Shops (6)	555	124																			
Beauty Shops (40)	353	115																			
Building Maintenance Services (26)	286	195																			
Business Consulting Services (18)	17,196	12,583																			
Business Services (60)	328	240																			
Carpet and Upholstery Cleaning (6)	217	297																			
Car Washes (5)	252	260																			
Child Day Care Services (27)	407	200																			
Coin-op Laundries and Cleaning (13)	162	156																			
Commercial Nonphysical Research (6)	1,545	2,900																			
Computer-related Services (7)	13,424	4,344																			
Computer Systems Design (13)	28,245	33,886																			
Custom Computer Programming (7)	7,005	7,500																			
Data Processing and Preparation (5)	5,039	10,800																			
Direct Mail Advertising Services (5)	525	220																			
Dry-cleaning Plants, Except Rugs (18)	291	250																			
Employment Agencies (10)	962	468																			
Engineering Services (10)	37,136	12,445																			
General Automotive Repair Shops (30)	497	170																			
Help Supply Services (6)	29,339	4,918																			
Home Health Care Services (10)	5,444	5,550																			
Information Retrieval Services (7)	410	1,110																			
Management Consulting Services (24)	11,683	15,687																			
Medical Laboratories (11)	1,206	1,327																			
Miscellaneous Personal Services (30)	244	125																			
Offices and Clinics of Dentists (45)	1,429	968																			
Offices and Clinics of Medical Doctors (11)	2,513	1,100																			
Offices of Health Practitioners (5)	640	277																			
Photocopying and Duplicating Services (5)	491	250																			
Physical Fitness Facilities (17)	230	125																			
Prepackaged Software (83)	4,691	16,551																			
Repair Services (8)	1,018	488																			
Schools and Educational Services (11)	523	210																			
Testing Laboratories (5)	3,471	5,573																			
Top and Body Repair and Paint Shops (13)	552	300																			
Videotape Rental (5)	276	90																			

GLOSSARY: BVIC (Book Value of Invested Capital) = (Total Assets - Total Liabilities) + Long-Term Liabilities; Discretionary Earnings = Operating Profit + Owner's Compensation + Noncash Charges; EBIT = Operating Profit; EBITDA = Operating Profit + Noncash Charges; Gross Profit = Net Sales - Cost of Goods Sold; MVIC (Market Value of Invested Capital) = Reported Selling Price (includes noncompete value and interest-bearing debt; excludes real estate, consulting agreement values, and contingent payments); Net Sales = Annual Sales - Returns and Discounts

DIVISION/Type of Business (Number of transactions)	Median Annual Revenue (\$ 000's)	Median Sale Price (\$ 000's)	Sale Price Ranges						MEDIAN VALUATION MULTIPLES (Best, second best, and third best multiples)					
			Thousands		Millions		Billions		MVIC (Market Value of Invested Capital) divided by...		Disc. Earnings		BVIC	
			1	10	1	10	1	10	Net Sales	Gross Profit	EBIT	EBITDA	Disc. Earnings	BVIC
TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS & SANITARY SERV. (105)	2,300	2,000	[Range]						0.88	1.36	7.18	6.62	2.52	2.20
Communications Services (5)	1,072	6,300	[Range]						0.97	2.81	6.42	15.50	—	2.07
Courier Services, Except by Air (13)	252	78	[Range]						0.69	0.96	3.15	2.57	1.60	—
Freight Transportation Arrangement (6)	2,609	2,000	[Range]						0.26	0.87	8.34	5.66	3.10	3.81
Local Passenger Transportation (6)	787	673	[Range]						0.68	0.68	2.70	7.31	3.52	2.49
Telephone Communications (15)	16,566	25,918	[Range]						1.07	2.63	29.99	7.57	—	1.81
Trucking, Except Local (12)	2,971	1,185	[Range]						0.49	0.75	6.75	4.22	2.43	2.58
WHOLESALE TRADE (125)	1,737	740	[Range]						0.49	1.40	5.28	5.41	2.97	3.40
Electrical Apparatus and Equipment (5)	12,420	6,000	[Range]						0.48	2.26	5.84	6.33	2.77	—
Groceries and Related Products (11)	764	279	[Range]						0.46	1.07	4.54	4.94	2.37	2.31
Hardware (5)	962	485	[Range]						0.93	1.85	3.93	5.78	—	2.40
Industrial Machinery and Equipment (5)	9,200	9,800	[Range]						1.07	1.85	4.43	3.27	—	1.97
Industrial Supplies (7)	9,757	5,500	[Range]						0.55	1.66	7.12	6.36	3.36	4.04
Medical and Hospital Equipment (13)	635	275	[Range]						0.57	1.11	7.94	6.12	2.73	2.38
Nondurable Goods (5)	501	167	[Range]						0.33	1.19	4.89	—	—	3.81

CALCULATE YOUR COMPANY'S VALUE

Use this work sheet to get a rough estimate of what your business might fetch in today's market. First, find your industry in the preceding tables and note the three best valuation multiples. Enter those figures into the appropriate boxes in the Multiple Value column below. Next, insert the appropriate financial information in the corresponding boxes in the middle column. (This may require some help from your accountant or CFO.) In all three cases, multiply the dollar figure by the multiple and enter the sum in the far right column. Average the figures—and there's your number. This will be a very rough estimate, but a useful starting point.

Top Three Indicators for Your Industry (Check yours off)

#1	#2	#3	Multiple	Multiple Value [Get from tables]	Your Company's Figures	Your Company's Estimated Value [Market Value of Invested Capital]
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MVIC/ Net Sales	___ . ___	Net Sales \$ _____, _____, 000	= \$ _____, _____, 000
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MVIC/ Gross Profit	___ . ___	Gross Profit \$ _____, _____, 000	= \$ _____, _____, 000
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MVIC/ EBIT	___ . ___	EBIT \$ _____, _____, 000	= \$ _____, _____, 000
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MVIC/ EBITDA	___ . ___	EBITDA \$ _____, _____, 000	= \$ _____, _____, 000
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MVIC/ Disc. Earnings	___ . ___	Discretionary Earnings \$ _____, _____, 000	= \$ _____, _____, 000
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	MVIC/ BVIC	___ . ___	BVIC \$ _____, _____, 000	= \$ _____, _____, 000

Add up your estimates \$ _____, _____, 000

Number of estimates ÷ _____

ESTIMATED VALUE OF YOUR COMPANY \$ _____, _____, 000